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Senate Bill _____
By _____

House Bill No.HB0342
By Kisber

AN ACT to amend Tennessee Code Annotated, Section 67-4-811
and Section 67-4-910, relative to providing for double
weighting of the sales factor in the apportionment formula.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-4-811, is amended by deleting
subsection (a) in its entirety and substituting the following:

(a) All business earning shall be apportioned to this state by multiplying the
earnings by a fraction, the numerator of which is the property factor plus the payroll
factor plus the sales factor, and the denominator of which is three (3); provided,
however, for taxable years beginning on or after January 1, 1996, the numerator of such
fraction shall be the property factor plus the payroll factor plus twice the sales factor and
the denominator of such fraction shall be four (4). Notwithstanding the provisions of the
preceding sentence, businesses which come under the provisions of Tennessee Code
Annotated, Sections 67-4-814 through 67-4-816, shall apportion their earnings as set out
in these sections.

SECTION 2. Tennessee Code Annotated, Section 67-4-910, is amended by deleting subsection (a) in its entirety and substituting the following:

(a) The capital stock, surplus and undivided profits shall be apportioned to this state by multiplying such values by a fraction, the numerator of which is the property factor plus the payroll factor plus the sales factor, and the denominator of which is three (3); provided, however, for tax years beginning on or after January 1, 1996, the numerator of such fraction shall be the property factor plus the payroll factor plus twice the sales factor and the denominator of such fraction shall be four (4). Notwithstanding the provisions of the preceding sentence, businesses which come under the provisions of Tennessee Code Annotated, Sections 67-4-912 through 67-4-919, shall apportion their earnings as set out in these sections.

SECTION 3. This act shall take effect January 1, 1996, and shall apply to tax years beginning on or after January 1, 1996. For the purpose of development and promulgation of rules and regulations by the department of revenue, however, this act shall take effect upon becoming a law, the public welfare requiring it.